

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

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TO SECSTATE WASHDC 5288

AMEMBASSY ROME

C O N F I D E N T I A L SECTION 1 OF 2 MILAN 0450

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, PINT, PINR, IT

SUBJECT: DE CAROLIS ON ITALY AND ITALO - AMERICAN COMMUNITY

1. DEPUTY MASSIMO DE CAROLIS VISITED CONSULATE MARCH 12 AND GAVE CONGEN AND EXECUTIVE OFFICER LUCID TOUR D'HORIZON THAT INCLUDED LOCKHEED INDICTMENT ITALO-AMERICAN SCENE, OVERSEAS IALIAN VOTE, DIFFICULTY OF REFORM WITH DC, MONTEDISON SHAKE-UP AND PESSIMISTIC ANALYSIS OF LEFTWARD TRENDS THAT, ACCORDING TO HIM, CONTINUE.

2. DE CAROLIS THOUGHT DC, STILL DOING THINGS IN TRADITIONAL WAY, HAD BUNGLED LOCKHEED PARLIAMENTARY HEARINGS. GUI WAS HONEST MAN AND, IF HE HAD TAKEN MONEY, DID IT FOR PARTY. IN ANY CASE, PROOF NOT THERE. HE HIMSELF HAD URGED GUI TO GO BEFORE SUPREME COURT VOLUNTARILY, DEPRIVING LEFTIST PARTIES OF CHANCE FOR POLITICAL DECISION IN PARLIAMENT AND PUTTING HIMSELF BEFORE BODY MORE DISPOSED TO MAKE JUDGMENT ON EVIDENCE. BUT THIS WASN'T DNE AND, IN FACT, DC HAD HAD NO STRATEGY AT ALL. ONE DC MEMBER INQUIRY COMMISSION, FOR EXAMPLE, WHO
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HAD ARGUED IN COMMISSION FOR TANASSI'S GUILT AND VOTED THERE AGAINST HIM, THEN DEFENDED HIM BEFORE PARLIAMENT. HOW COULD DC ADVERSARIES AVOID CONCLUDING THAT PARTY WAS UP TO OLD TRICKS?

MORO'S SPEECH AHD BEEN MASTERFUL, BEST THAT OLD

GUARD HAD TO OFFER, BUT IT WAS STILL NO MORE THAN PARTY CLOSING RANKS IN TRADITIONAL WAY. IN SUM. LOCKHEED AFFAIR HAD OFFERED DC CHANCE TO DO THINGS DIFFERENTLY, BUT PARTY HAD NOT DONE SO.

3. MORO'S SPEECH OF COUSE HAD WIDER SIGNIFICANCE INITIS HARD STANCE AGAINST PCI. THAT DIFFERED DISTINCTLY FROM LINE ANDREOTTI HAD BEEN PURSUING,

AND IN FACT MORO'S CMMENTS HAD LEFT PRIME MINISTER FUMING. BUT HDE CAROLIS DID NOT FORESEE BREAK LEADING TO NEW ELECTIONS. THOSE WOULD INEVITABLY COME - PCI HAD STUCK ANOTHER STRAW ON CAMEL'S BACK WITH GUI CONDEMNATION AND WAS GRADUALLY COOPTING MINISTES LIKE COSSIGA AND BONIFACIO IN AY THAT DE CONSERVATIVES COULD NOT CONDONE FOREEVER. BUT GOVERNMENT MIGHT LAST ANOTHER YEAR OR MORE.

4. SITATUION WAS SUCH THAT DC NEEDED HELP FROM WHATEVER QUARTER IT COULD GET IT AND DE CAROLIS HAD SPENT TIME RECETLY AMONG ITALO-AMERICAN COMMUNITY IN U.S. TO JUST THAT END. HE HAD SEEN NUMBER OF ACADEMIC AND POLITICAL LEADERS AND HAD BORNE WELL IN MIND THAT HE MUST NOT BE SEEN TO BE ASSOCIATED WITH MAFIA ELEMENTS, EXTREME RIGHT-WINGERS, OR FRIENDS OF PEOPLE LIKE SINDONA. HE HAD SUCCEEDED, FOR EXAMPLE, IN REARRANGING HIS WASHINGTON APPEARANCE BEFORE LIDO CLUB SO THAT HIS INTRODUCTION WA MADE NOT BY CLUB OFFICIAL PHIL GUARINO BUT BY CONFIDENTIAL

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SENATORS DE CONCINI (D) AND DOMENICI(R), HIGHLY RESPECTABLE PEOPLE. STILL, HE WAS NOW CONVINCED THAT ITALO-AMERICAN COMMUNITY WAS SUCH COMPLICATED SKEIN OF INER-RELATIONSHIPS THAT IT WAS IMPOSSIBLE ALWAYS TO TELL GOOD FROM BAD AND THAT INEVITABLY SOME RISK WAS INVOLVED. HE HAD BEEN TOLD, FOR EXAMPLE, THAT EDITOR OF CERTAIN ITALO-AMERICAN PAPER WAS BEST AVOIDED. BUT HE HAD NEEDED PAPER TO REACH ITALO-AMERICAN COMMUNITY, AND IN FACT INTERVIEW HE GAVE PAPER WAS EXCELLENT FROM HIS POINT OF VIEW. IN SHORT, HE CONCLUDED, ONLY SURE WAY TO AVOID RISK OF PUBLIC CONTAMINATION WITH UNDERSIRABLE PERSONS AMONG ITALO-AMERICANS WAS TO STAY OUT COMPLETELY, COURSE HE COSE NOT TO TAKE BECAUSE HE FLET THERE WAS IMPORTANT POTENTIAL SUPPORT IN THAT COMMUNITY FOR DC POSITION. BESIDES, HE MUSED, HE HAD ALWAYS BEEN VICTIM OF FALSE LEFTIST NEWSPAPER ALLEGATIONS OF FRIENDSHIP WITH PEOPLE LIKE SINDONA, AND, BEING UNTRUE, THEY DIED OF THEIR OWN WEIGHT.

5. MAJOR WAY ITALO-AMERICAN COMMUNITY MIGHT

HELP D.C. LAY IN OVERSEAS ITALIAN VOTE, LEGISLATION
ON WHICH STILL MAKING WAY THROUGH PARLIAMENT. THAT VOTE
IN PLACES LIKE U.S. AND ARGENTINA WOULD BE RICH LODE
FOR D.C. (THOUGH ITALIANS WORKERS IN EC COUNTRIES
WOULD LIKELY VOTE LEFT). PROBLEMS WERE TWO. HOW TO
GET INCORPORATED IN EVENTUAL LAW WIDEST POSSIBLE DEFINITION
OF WHO IS ELIGIBLE TO VOTE, AGAINST OPPOSITIO OF LEFTIST
PARTIES. AND, EVEN THORNIER, HOW TO SET UP MECHANISM
WHEREBY VERY LARGE NUMBERS OF POPE COULD CAS BALLOTS
FROM OVERSEAS (300,000 TO 5 MILLIONS IN U.S. ALONE,
DEPENDING ON HOW VOTERS DEFINED). MATTER WAS SO
COMPLICATED IT MIGHT BE BETTER NOT TO TOUCH IT, HE
CONCLUDED. BUT HE STILL THOUGHT IT WAS WORTH TRY.

6. HAVING ENUMERATED SEVERAL WAYS IN WHICH HE
WAS TRYING TO HELP D.C., DE CAROLIS ADMITTED HE WAS
DISCOURAGED THAT REFORM WITHIN PARTY NOT MOVING
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FASTER. PARTY SMPLY WOULD NOT CHANGE IF PRESSURE NOT
KEPT ON. AND FEAR OF BEING SINGLED OUT AS EXTREMISTS
PREVENTED PRACTICALLY ALL YOUNGER D.C. DEPUTIES AND OTHER
OFFICIALS FROM SPEAKING UP TO GET THINGS CHANGED.
TURIN'S ROSSI DE MONTELERA HAD MOVED CAUTIOUSLY IN THIS
DIRECTION BUT NOW HE, LIKE MOST OTHER YOUNG DEPUTIES,
WAS BEING CRITICIZED BY HIS ELECTORATE AS DO-NOTHING.
UMBERTO AGENELLI HAD SIMPLY DROPPED OUT OF EFFORT.
DE CAROLIS SAID THAT EVEN HE HIMSELF, WHO HAD CHOSEN
TO RUN RISKS AND WOULD CONTINUE, HAD TRIMMED HIS SAILS
SOMEWHAT TO AVOID BEING COMPLETELY ISOLATED. ALL
OF WHICH, HE SAID SADLY, BODES ILL FOR REAL REFORM
WITHIN D.C.

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FM AMCONSUL MILAN
TO SECSTATE WASHDC 5289
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C O N F I D E N T I A L SECTION 2 OF 2 MILAN 0450

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7. AND WHAT ABOUT BROADER PICTURE? DID DE CAROLIS NOT SEE SOME REASON FOR OPTIMISM IN SUCH BELLWEATHERS AS ANDREOTTI'S DEFT PREMIERSHIP AND INCREASED UNION READLINESS TO RECOGNIZE DANGERS IN HIGH LABOR COSTS AND HEAVY ABSENTEEISM? HE DID NOT. ANDREOTTI IN HIS OPINION WAS READY FOR HISTORIC COMPROMISE, AND SOME OF HIS MINISTERS HEADED IN SAME DIRECTION (ABOVE). LABOR'S MOVES WERE ONLY TACTICAL. LEFT DOMINATED IMPORTANT AREAS OF ITALIAN ECONOMY AND CULTURE, AND, EVEN WHERE D.C. IN CHARGE, EXERTED GREAT INFLUENCE. ('7 5 YESTEFDAY TELEPHONE NEWS DIGEST HAD CARRIED REPORT ON BOLOGNA CONFRONTATION BETWEEN POLICE AND STUDENTS WHICH DESCRIBED LOTTA CONTINUA AS "VANGUARD OF STUDENT MOVEMENT" AND BLANDLY ASSERTED THAT POLICE HAD "ASSASINATED" STUDENT. BIAS WHICH IS ALL THE MORE INCREDIBLE, SAID DE CAROLIS, IN THAT PHONE SYSTEM STATE-OWNED AND UNDER D.C. CONTRL.) AND THERE WERE STILL PRESSURES ON ITALIAN INDUSTRY TO SUBMIT TO PUBLIC OWNERSHIP. IF MONTEDISON CROSSED LINE, WHICH WAS ONE POSSIBLE OUTCOME OF CRISIS WHIH PRESENTLY BESET CONGLOMERATE, THAT WOULD DEFINITELY SHIFT PREPONDERANCE IN ITALIAN INDUSTRY TO PUBLIC SECTOR IF SUCH WAS NOT ALREADY CASE.

8. IN SHORT, DE CAROLIS CONTINUED, ITALY IS GRADUALLY BEING MOLDED INTO DIFFERENT COUNTRY AND LEFT WOULD NOT THINK OF DEPARTING FROM STRATEGY THAT HAS HERETOFORE
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WORKED SO WELL. A PCI IN POWER WOULD CONTINUE WITH A DEMOCRATIC, PLURALISTIC LINE IT NOW PUSHES. MONTANELLI'S GIORNALE WOULD NOT BE CLOSED. BUT IT COLD NO LONGER EXPECT ADVERTISING SUPPORT FROM PUBLICLY-OWNED CORPORATIONS. AND, AMONG ITS PRIVATE INDUSTRIAL SUPPORTERS, WHO WULD CONTINUE UNDER THREAT THAT ITS WORKERS INTENDED PROTEST STRIKE OR THAT TAX OFFICIALS MIGHT SINGLE IT OUT FOR GOOD GOING OVER? GIORNALE AND SIMILAR INSTITUTIONS WOULD GRADUALLY CLOSE DOORS, PROCESS WHICH WOULD OCCUR FAIRLY UNDRAMATICALLY. THAT, ACCORDING TO DE CAROLIS, WAS WHERE COUNTRY WAS HEADED.

9. COMMENT:. DE CAROLIS ONCE AGAIN STRUCK US WITH HIS SAVVY AND WITH HIS CLEAR, REASONED, AND NOT VERY ITALIAN APPROACH. HE STRUCK US TOO WITH HIS SPIRIT OF SELF-RELIANCE. HE ASKED US NOT WHAT USG COULD DO FOR D.C. BUT TOLD US WHAT HE HIMSELF WAS DOING FOR

IT, WELCOME DEPARTURE FROM CONSERVATIVE TYPES WHO
HABITUALLY SEE IN US THEIR SALVATION OR WHO BLAME
US FOR THEIR TROUBLES. HE APPEARED PERHAPS MORE
SUBDUED THAN BEFORE AND HIMSELF ADMITTED THAT HE HAD
PERHAPS RUN MORE RISKS THAN WAS GOOD FOR HIM. BUT
HE WAS JUST AS FIRMLY - DN ACTIVELY - COMMITTED TO
NON-COMMUNIST, RO-U.S. AND EC, MARKET-ORIENTED
FUTURE FOR ITALY AS EVER.WAYMAN

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